



“Missouri on the Move”

State of the State Address

By

Governor Mel Carnahan

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Mr. President, Mr. Speaker, Mr. President Pro Tem, distinguished state officials, members of the 87th General Assembly and citizens of the State of Missouri.

I appreciate the opportunity to speak with you today about Missouri's future — and reflect upon its recent past.

I am confident Missourians will start 1994 with the optimism that comes naturally to the people of this state, despite the great adversity so many Missourians faced this past summer. The flood will remain the dominant memory of 1993. This tragedy will not easily be forgotten. Its devastating effects remain with us today and will continue to remain with its victims for many years to come. Make no mistake — the lives of a great many Missourians have been changed forever.

But through the devastation, we also saw reason to be proud and hopeful. The fact is that in 1993, the one thing that rose higher than our rivers was the compassion of our people.

I am grateful to all those Missourians who came to the aid of friends, neighbors, and even complete strangers in need. And I'm proud of all of you who left the safety of your own homes to help other people protect



their homes and their families. The rivers have receded, but much pain still remains. We must not forget about the victims of this tragedy just because the high waters are gone and the evening news anchors have moved on to other stories. Many flood victims still need our help in getting back on their feet and in re-establishing normal lives. And I will ask you to join me in providing that help.

While the flood will no doubt remain uppermost in our memories of '93, we must not allow it to wash away the pride of our accomplishments of this past year. By working together last year, we helped Missouri move forward on several major fronts.

We reacted swiftly and responsibly to a court's ruling that our educational funding system was unfair and unconstitutional. Not only did we establish a new equitable funding system, but we also greatly reformed Missouri's educational system in the process. We adopted landmark legislation to improve our schools and to make teachers and administrators more accountable for results. We provided the tools and resources to reduce class sizes, to expand early childhood education, and to help students at risk of dropping out stay in school and get the education or training they need to find good jobs. And we did much more to improve education for our young people. And in doing so, we brightened Missouri's economic future and greatly improved our competitive position in the new global economy. We are already hard at work implementing Missouri's new education reforms, and we are already seeing major improvements in our schools this year.

But education isn't the only area where we made a difference in 1993. We moved forcefully to improve Missouri's business climate and its prospects for job growth. First, through legislation sponsored by Senator Jim Mathewson, we made major improvements in our workers' compensation system that will keep rates down, encourage safe work environments, and make Missouri a more attractive place for businesses to locate or expand. And we began work, and we're making great progress on Missouri's first strategic economic development plan to expand our economy. We also adopted new economic development tools that will help small businesses already located right here in Missouri grow and create more jobs.

And, in fact, I'm pleased to report that the economic outlook for Missouri for 1995 is steadily improving. Employment is up more than 35,000 jobs over a year ago, including an impressive gain of 1,500 manufacturing jobs. That growth reverses a lengthy period of decline in our manufacturing base.

Health care was another major success in our 1993 efforts to move Missouri forward. As a result of this important new legislation, more Missourians have access to quality, affordable health care. This year, I hope to continue our efforts to control health care costs, improve health security, and increase access to quality health care services.

Last year at this time, we began the process of moving Missouri forward. This year, as a result of your hard work, its clear Missouri is on the Move. We have a bright new future ahead of us, but there is still much



left to be done. We must go beyond the accomplishments of last year and continue our efforts to make Missouri an even better place to live, work and raise a family.

I'm pleased to report that Missouri's state government will end Fiscal Year 1994 in solid financial condition due to accurate consensus revenue forecasting; to savings resulting from re-organizing programs, improving efficiency, and weeding out unnecessary spending; and to the state's aggressive efforts to refinance state debt at lower interest rates.

And now it's time to get to work again. First, welfare reform:

WELFARE REFORM

Welfare as we know it is a failed system. It provides sustenance, but does little to help recipients get off welfare and become self-sufficient. We need a system that can do better than simply sustain a permanent welfare population generation after generation. We need a system that helps people get off welfare. Last month, I proposed a bold, new approach called "Beyond Welfare". This initiative will entirely overhaul our current system by focusing on three things:

First, it will prevent welfare by helping people who are at risk of entering the welfare system get the education and job training they need to stay off welfare and get jobs instead.

Second, it will reduce welfare by helping current welfare recipients become self-sufficient. For example,

each welfare recipient will have a plan to achieve self-sufficiency within a specified period of time, taking into account that recipient's skills and personal situation. In return, the state will provide the needed assistance and support services, such as job training and quality day care, that will enable the recipient to transition off welfare and into productive employment within the specified time. My budget calls for the expansion of the FUTURES program to take full advantage of available federal funding.

And third, it will end welfare by putting recipients to work through innovative approaches. For example, instead of giving welfare benefits directly to a recipient, the dollars can go to a private-sector employer who will use the funds as a wage supplement to hire the recipient. This program will help Missouri create jobs, reduce the welfare rolls, and get current welfare recipients the job skills they need to be self-sufficient.

Other aspects of "Beyond Welfare" include improving the educational quality of state-supported day care; and establishing measures that will help keep families together, and failing that, encourage absentee fathers to play a greater role in the lives of their children.

This new initiative emphasizes jobs and self-sufficiency instead of welfare. It builds on proven programs and establishes new ways to help families avoid the need for cash assistance, reduce the number of households on AFDC, and eliminate welfare from the lives of many Missourians. Welfare will once again be used as it was meant to be used — as temporary assistance to help people get back on their feet.



CRIME

Crime and violent crime are raging out of control. Nothing shakes the foundation of a community more than violent crime. The death of our children is the death of our future.

We can no longer tolerate violent crime in our children's schools. We can no longer tolerate violent crime in our streets. If the actions of criminals shout loud then let the actions of good be heard above the roar. The time to act is NOW. We must treat this insidious disease with tough medicine.

I am proposing legislation to stop the revolving door for chronic violent offenders by eliminating any possibility of parole for these vicious individuals. And I am calling for tougher sentences for criminals who use weapons in the commission of a crime. Furthermore, to keep violent criminals off the streets, I am proposing construction of a new prison — that is, a new prison in addition to the procurement or construction of a facility to replace the Renz Correctional Center.

I want the message to be clear for chronic offenders — If you've done the crime — in this state, you will do the time.

We need tough medicine for tough crimes. But tough sentences and truth in sentencing are only part of the battle against violent crime. We must strengthen enforcement and prevent crime in Missouri.

An omnibus crime bill that would put more police on the streets across the nation and in Missouri has been stuck in Congress for years. We must do all we

can to get it passed. But we won't sit and wait for Congress to put more officers on the roads here. I propose strengthening the law enforcement capabilities of Missouri's Highway Patrol by starting to get more of our trained officers out from behind the desk and on to the road — by hiring civilians to do more of the clerical and administrative work.

And to help communities fight crime, I will establish a Missouri Major Case Unit to put more advanced crime fighting technologies and expertise at their fingertips — technologies that will help solve the homicides and other major crimes that occur in this state. The Missouri Major Case Unit will be available for investigative, analytical, forensic or technical assistance. It will offer the newest technological support for criminal investigations.

Juvenile crime has become an even greater problem than we ever could have imagined. We must make changes in the juvenile justice code to prevent those violent juvenile repeat offenders from evading responsibility for their actions. Juvenile offenders must be treated fairly — but they must still be held accountable for their crimes.

And we must strengthen juvenile corrections. Missouri is a leader in the effective treatment of youthful offenders as a result of its innovative, intensive and less costly community-based services. This program yields one of the lowest repeat offender rates in the country. We must continue to support programs that give juveniles the help that they need to straighten up and to be productive members of society. My budget



If we don't move now to bring these costs under control, there will soon be little money left over to address other needs. I have already announced my intention to seek a federal waiver that will get the federal bureaucracy out of Missouri's Medicaid program and allow us to design our own efficient and practical system that will help those in need. Under the new system, we will be able to control rising health care costs by reducing administrative and program costs; streamline and simplify the cumbersome eligibility process; and extend opportunities for affordable and secure health care coverage. Everyone who is currently covered by Medicaid will continue to be covered under the new program. In addition to reducing the state's health care costs, under this plan, many people who currently have little or no coverage will be covered, or will be able to purchase coverage based on their ability to pay.

Senator Norman Merrell, chairman of the Senate Appropriations committee, appointed a subcommittee last fall chaired by Senator Jerry Howard to examine the Medicaid program. Working long hours with numerous state agencies, Senator Howard laid the groundwork for the Medicaid waiver we are seeking and identified other cost-saving ideas. I commend him and his committee for its outstanding work.

An important piece of health care reform must address the needs of the elderly, especially the vulnerable residents of nursing facilities. My budget calls for expansion of the Care Options program so that the elderly can remain independent in their own homes. And

for those needing care in a nursing facility, I strongly support linking reimbursement to quality of care, which has been proposed by my task force on nursing home reform. Furthermore, my budget ensures the resources necessary to make certain every nursing home is inspected twice each year.

Last year, I proposed and you agreed to devote general revenue funds for family planning services. This was the first time in Missouri's history that general revenue was committed for this important purpose. Effective family planning services are crucial to the health and well-being of Missouri's women, children, and families. This year, I am proposing a significant increase in Missouri's support for family planning services.

STATEWIDE TRANSPORTATION PLAN

This session, I will work with legislators and concerned citizens to develop a statewide transportation plan to be submitted to a vote of the people. A comprehensive transportation plan including airports, railroads, highways, river ports, light rail, local bus systems such as OATS and other forms of transportation will greatly benefit Missouri's economic future. It will also improve the quality of life for a great many Missourians. Missouri can take a giant step forward with a comprehensive state approach to our transportation needs.



COMPLIANCE WITH THE CLEAN AIR ACT AMENDMENTS

Sometimes we don't get to choose our own agenda. As public officials we must address problems in a responsible fashion as they emerge. This year, we must address the issue of compliance with the federal Clean Air Act Amendments of 1990. The St. Louis metropolitan region is not in compliance with these federal clean air and health regulations. If we don't act to bring the region into compliance, the State of Missouri will face severe federal sanctions including the possible loss of \$400 million dollars in federal highway funds state-wide — not just in the St. Louis area, and a virtual moratorium on industrial economic development in the St. Louis region. A moratorium on industrial development in the St. Louis region will affect not just that region but the entire state, because it means fewer jobs and fewer businesses contributing to Missouri's economic vitality. And it means a smaller tax base to pay for crucial services. Last Friday, the U.S. Environmental Protection Agency commenced sanction procedures against three states — California, Indiana and neighboring Illinois — for failure to comply with the Clean Air Act Amendments. The sanctions are real; they're here, and, in fact, they're being applied to the Illinois side of the St. Louis region non-attainment area. Missourians want healthy, clean air and we do not want to suffer these sanctions. Solving our clean air problems will cause some pain. But let's make no mistake about it: the sanctions will hurt Missouri far more than will the inconvenience of fixing the problem. To bring Missouri into compliance, I am calling for passage of a

new centralized, enhanced inspection and maintenance program for St. Louis region automobiles. No matter how many times we look at the situation, the fact remains clear: the only way Missouri has a reasonable chance of achieving compliance is by adopting this new program. I know that some Missourians would prefer simply to thumb our collective noses at the federal government and defiantly ignore the clean air requirements they have placed upon Missouri and all the other states. But I ask you to join me in taking the more responsible course. Let's clean the air, protect the health of our citizens, keep our federal highway funds secure, and protect the economic growth and vitality of the St. Louis region.

HELPING BUSINESSES COMPLY WITH ENVIRONMENTAL REGULATIONS

This budget also recommends funding for another important environmental and economic development initiative: technical assistance for businesses seeking to comply with Missouri's environmental regulations. Missouri must remain committed to enforcing its environmental laws and protecting its natural resources. But rather than rely exclusively on enforcement actions, we can both protect our environment and, at the same time, facilitate job creation and economic growth by providing technical assistance to businesses seeking to comply with our environmental laws. Under my proposal, the Department of Natural Resources will provide technical support and assistance to businesses seeking permits in water pollution control as well as

in solid waste and hazardous waste management. By doing so, DNR will help Missouri create jobs while also protecting our environment.

HIGHER EDUCATION

Our colleges and universities are critical to preparing Missourians for the 21st century. The need for higher education has changed dramatically during my lifetime. Not so long ago, a high school diploma was sure to lead to a good job. Now a high school diploma is the minimum requirement for almost any job. In the 21st century, higher education will become even more critical to the success of our citizens and of our state. We must embark on a mission to dramatically improve our system of higher education and enhance the facilities and resources available to our students and faculty.

I am pleased to present to you a budget which devotes substantial new resources to higher education. This is made possible by three factors. First, through a thorough review of state agency budgets and programs, we have been able to free up and redirect funds to higher education. Second, I am proposing dedicating most of the new gaming proceeds in Fiscal Year 1995 to higher education. Third, I am proposing a general obligation bond issue to renovate facilities and construct new facilities on our campuses.

These recommendations continue my proposal from last year to ensure that funding is provided to reward our colleges and universities for quality and successful performance in retaining and graduating well-pre-

pared students. In addition, I am calling for new funding to create endowed chairs at the University of Missouri to ensure that we recruit and retain top-level scholars and researchers to our campuses. Also, I am proposing additional funds for the Missouri Student Grant Program to help Missouri's families keep pace with tuition increases at our colleges and universities. And I've proposed additional funds for academic scholarships. These scholarships will help keep many of our brightest and most capable students right here in Missouri. Furthermore, I've recommended additional funding to improve vocational and technical programs at our community colleges, and to establish competitive grants through the Missouri Science Foundation for projects that increase students' scientific and mathematical knowledge.

We must also ensure that our college students have access to the finest technology and materials available to prepare them for the challenges of the future. My proposal for higher education calls for exciting new investments in computer networking and academic equipment. We will make major investments in library technology and we will expand library acquisitions at our colleges and universities. In order to compete for outstanding students and faculty, and in order to give Missouri's students outstanding academic opportunities right here at home, we must assure that our academic libraries — the heart of any campus — have access to crucial new technologies including on-line databases, CD-ROM, and other sophisticated technologies as they become available.

Finally, maintenance, repair, and renovation needs at our colleges and universities have been neglected for too long. Therefore, I am proposing a comprehensive plan to make major investments in the physical facilities at our academic institutions. And major new facilities will be constructed to ensure that our students have access to the programs they need to prepare themselves and our state for the 21st century.

CAMPAIGN FINANCE REFORM

It's no secret that many Americans have become disaffected and dissatisfied with their political leaders and institutions. One of the chief reasons for this disaffection is that money has become a far too influential force in American government and politics. In American politics today, the sad fact is that the likelihood of you being heard is directly related to the size of your bank account. We still teach our children that American government is a government of, by, and for ALL the people. But the truth today is that the system favors those who can best bankroll political campaigns — which, in terms of dollars raised and spent, have long ago crossed the line of reason and decency. If we are to restore trust in our government, we must greatly reduce the influence of money in the political process. We must be able to assure all Americans clearly, unequivocally and proudly that democracy is not for sale. Several weeks ago, I outlined my plan for campaign finance reform in Missouri — a plan that would greatly limit the role of money in the political process. Since then my staff has been working with the members of

the Joint Committee on Campaign Finance Reform to draft a legislative proposal that would achieve this objective. I am pleased to say that the Committee, under the able leadership of Senator Wayne Goode and Representative May Scheve, has developed an excellent campaign finance reform proposal that includes limits on both campaign contributions and campaign spending. This plan will reduce the amount of money candidates for office can raise and spend, will reduce the influence of special interest money in the political system, and will change the rules that favor the wealthy. This is the kind of reform we need and this is the kind of reform I am calling on the General Assembly to pass in this session.

IMPROVING GOVERNMENT EFFICIENCY

Taxpayers are demanding more for their tax dollars. They insist that government work smarter, harder, and leaner. I am committed to improving government efficiency and productivity and to delivering better service to the people of Missouri.

I have called on Missouri state agencies to make service to the public, and not bureaucratic activity, the measure of success for our state programs. The Department of Mental Health is leading the way by piloting a "Reinventing Government" initiative that, if successful, can serve as a model for all of state government. The department is starting from scratch — redefining its mission, overhauling the way it delivers services, cutting unneeded spending and increasing

productivity. This is the kind of review that's long overdue throughout government everywhere. But this isn't our only initiative to reinvent government and improve productivity.

Last session I called for creation of a Commission on Management and Productivity. You approved that request, and this month the Commission will begin work. It includes loaned executives from major corporations working together with state officials and managers to re-examine state government, explore possible uses of new technologies, and develop ways to save tax dollars by improving efficiency and productivity. Lt. Governor Roger Wilson has agreed to be a vice chair of the Commission and help lead the effort to find ways government can do a better job within limited resources.

And with help from your budget committees, we are completing the first-ever detailed budget review of a state government agency, the Missouri Department of Revenue. The department's operations and spending are being put under the microscope. This review will result in a leaner, more effective agency that provides high-quality service to Missourians. We will use technology to speed license issuance, eliminate duplicative management, and provide improved services at less cost to the taxpayers.

In recent sessions, you have already recognized the need for this measure. I believe the time has come to adopt legislation to put this kind of detailed base budget review in place across state government on an ongoing basis. This new process, if properly utilized, can

reduce waste and unnecessary spending, make certain that unneeded or inefficient programs are terminated, and help assure that government uses tax dollars wisely.

Also, throughout my budget proposal, you will find support for agencies working smarter by using technology and technological innovation. I encourage building on the existing work of higher education and elementary and secondary education by providing added support for their computer networking plans. My budget also takes the next steps in linking Missourians to the world by providing funds to begin networking public libraries and to develop a state government network plan. That will lead to a comprehensive communications network of elementary and secondary education, higher education, public libraries, and finally state government agencies.

PAY PLAN

We rely greatly on our state employees to deliver crucial services to many Missourians. I am committed to attracting and retaining an experienced, dedicated and productive workforce that will enable government to deliver on its commitment to serve the people of Missouri efficiently and effectively. We will be able to attract and retain good employees only if we maintain salaries that are competitive within the labor market. But the fact is that presently the pay of many state employees is not even sufficient to raise them above the federal poverty line. To help restore competitiveness and attract and retain outstanding employees, I am proposing a pay plan for state employees for Fiscal

1995. The plan will increase state employee compensation by 3% and \$200. Therefore, the plan will be specially tailored to aid state employees at the low end of the pay scale the most. These employees have the most difficult time coping with the increased cost of living. A substantial portion of the funds needed for this plan come from budget cuts and reorganization. In addition, a funding increase is proposed for state employee health care costs and for the rising costs of health care for retired state employees.

HELPING FLOOD VICTIMS

The flood waters of 1993 have receded, but the devastation continues to plague the lives of many Missourians. We were successful last fall in persuading the President to provide greater levels of federal help for our citizens and local governments, with federal reimbursement for public assistance increasing from the traditional seventy-five percent to ninety percent. We also successfully fought to increase federal flood assistance to Missouri farmers. I intend to return to Washington later this month to seek additional federal funds that will aid in our recovery. Let's remember that every state participates in a federal emergency management system that exists specifically to help any state recovery from disasters of this nature. The federal government must continue to live up to its commitment to assist Midwestern flood victims in a meaningful way just as it has assisted disaster victims in hurricanes, floods, fires and other disasters throughout other parts of the nation.

I am pleased that through the cooperation and hard work of SEMA, the executive departments, state, federal and local officials, we have been able to provide crucial health, mental health, housing and social services to thousands of flood victims.

We must continue to help Missouri's flood victims reclaim their lives.

I am asking the General Assembly to approve a second supplemental appropriation to continue desperately needed assistance to Missouri's flood victims. My supplemental request includes added support to help elderly flood victims with in-home services, additional funds to provide disaster relief unemployment benefits for those who lost their jobs due to the flood, and additional resources to help victims of domestic violence resulting from flood related stress to families. Additionally, my supplemental request includes funds to distribute food to centers serving flood victims and to help flood victims without permanent shelter find housing.

To help fill in the gaps in government assistance to flood victims, we have established a Flood Recovery Partnership Group which includes Missouri charities and not-for-profit social service organizations along with top officials from relevant state and federal agencies. The members of this partnership are combining resources and coordinating efforts in order to reach victims and provide assistance that neither government nor charitable organizations can provide alone. Furthermore, I am hopeful that this partnership can serve as a model for future public/private efforts of this type.

In addition to our direct assistance to flood victims, we have launched several important initiatives to reduce the damage that future floods may cause.

Through the use of community development block grants and housing funds, the Department of Economic Development, SEMA, and the Missouri Housing Development Commission are working together to help towns relocate their citizens out of the flood plains. This will greatly reduce future flood damage costs to state and federal taxpayers and prevent repeated claims for flood damage to the same structures over and over.

Also, I've appointed a Flood Plain Management Task Force to develop a long-term strategy for flood plain management in Missouri. This task force is at work now re-examining the complex issues that contributed to the flood disaster. The task force will make recommendations to help prevent this kind of disaster from re-occurring. I expect that some or all of these recommendations will require legislative changes.

Today, we stand at the threshold of Missouri's future. We are on the move toward creating a better Missouri for all Missourians.

Let us not forget that the historic successes of last year were the result of constructive cooperation and team work.

I believe we share many common goals for Missouri. While there may be differences of opinion on how we get there, let us stand resolved to get there. For Missouri's future is bright. By working together, we can meet the challenges and opportunities of the future head on.

Thank you.

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